GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2969
ANSWERED ON:07.12.2001
TAX HOLIDAY TO INDUSTIRES IN DAMAN AND DIU
DAHYA BHAI V. PATEL

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government had declared Union Terriotory of Daman and Diu as industrially backward area and was given tax holiday for the local industries;

(b) if so, whether the Government have made any study to evaluate the socio-economic impact of the said decision as a result of the industrialisation in Daman;

(c) if so, the number of employment opportunities generated as a result of this tax holiday;

(d) the number of local residence, skilled and unskilled given jobs as a result thereof; and

(e) the steps taken by the Government to ensure the due representation of the locals in the employment opportunities available in the local industry?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (BALASAHEB VIKHE PATIL)

(a) Yes, Sir.

(b) No, Sir.

(c) Does not arise.

(d) Does not arise.

(e) The scheme of tax holiday under section 80 IB of the Income-tax Act, 1961 is applicable with respect to location of an industry in a backward area irrespective of the employment pattern and is intended to promote industrialisation. While there is no provision to ensure representation of the locals in the employment opportunities, it is however a natural consequence of industrialisation that local persons get improved employment opportunities. This is not only in the undertakings that are attracted by the tax incentives, but also in a host of ancillary and service opportunities that open up as a result of industrialisation.